

OFFICE OF PROCUREMENT

Closeout of Procurement Files  
LMS-OP-4531 Revision: J

Approval Original signed on file  
Organizational Unit Manager, Office of Procurement  
Date 1/31/2008

NASA Langley Research Center (LaRC)  
Langley Management System (LMS)

## Change Record

Rev. No.	Date	Description
B	02/01/2000	Adds procedures for updating the AMS database and updates the construction closeout procedures. Revises procedure to implement NFS.
C	04/18/2001	Revises paragraph IV.D.2. & 3. procedures. Complete rewrite to reflect contracting out closeout of fixed-price contract, cooperative agreements with commercial firms, purchase orders and interagency agreements. Consolidates contracted out function under one support service contractor.
D	03/25/2002	Revises definition of “physically complete”. Corrects references in paragraph III.C.7. Adds requirement to obtain record of contract completion for cost type contracts from technical representative. Deletes reference to Form P-230A, for information obtained on this form has now been combined with Form P-230 information. Specifies transfer of procurements to closeout contractor after initiation of final past performance evaluation (e.g. NF 1680). Deletes references to NF 1098 tabs.
E	8/22/02	Adds Section II regarding records. Clarifies CS responsibilities, AMS instructions.
F	1/7/03	Clarifies Grant closeout procedure
F-1	5/5/03	All references to Task Monitor changed to Point of Contact for performance area.
F-2	10/3/04	Corrects organizational references in Section IV D.
G	1/4/05	Revises Section IV, Paragraphs B-E to add SAP closeout procedure and Paragraphs B and E to update closeout procedures.
G-1	4/1/05	Revises Paragraph IV, Paragraphs B1, C2, D3, and E1 to clarify closeout procedures.
H	6/16/06	Changes IFMP to IEMP. Clarify the 1680 process. Delete reference to Contractor File Room support and clarify data entry requirements by the Closeout Contractor. Revise Construction closeout process. Minor revisions throughout.
I	11/21/07	Revises Paragraph IV, Sections B1, C2, D2, and E1 to delete requirement to check that SAP PLIs have been marked closed prior to forwarding files to closeout. Revise Paragraph IV, Sections B7, D5, and E2 to identify that the current Specialist is responsible for updating CO, buyer and P-Group information before transferring files to closeout.

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*Verify correct revision before use by checking the LMS Web Site*

J	01/17/2008	Revises Paragraphs I., III. and IV., Sections B & C to differentiate policy regarding when IDIQ cost versus fixed-price orders should be submitted to the Closeout Contractor. Changes the responsibility to resolve all unliquidated obligations for fixed price awards to the Closeout Contractor.
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## **I. INTRODUCTION**

The final step in the Procurement Process is to closeout the official procurement file. The closeout function is performed by an Agency-wide contractor. This procedure defines the responsibilities of and the actions to be taken by Office of Procurement (OP) personnel in order to transfer physically complete procurement files to the closeout contractor. See FAR 4.804-4 for the FAR definition of the term “physically complete.” However, for purposes of transferring files to the closeout contractor, the definition of physically complete is as follows:

“All services have been performed and all deliverables/reports have been received, excluding final approval of new technology reports, and those reports listed in FAR 4.804-5.”

OP personnel are responsible for ensuring that the files presented to the Closeout Contractor are complete, orderly, and in compliance with FAR Part 4.804-4 and this procedure. (See LMS-OP-4538 for closeout of Simplified Acquisition files.)

## **II. RECORDS**

Records generated by this procedure are contained in the Contract Files.

## **III. LISTING OF INSTRUCTION TOPICS**

- A. Files to be transferred to Closeout Contractor
- B. Actions required prior to transfer of cost-reimbursement (including time-and-material) contract files
- C. Actions required prior to transfer of fixed-price (including construction) contracts and cooperative agreements with commercial firms
- D. Additional procedures for fixed price construction contracts
- E. Actions required prior to transfer of grants and cooperative agreements with educational and non-profit organizations

## **IV. INSTRUCTIONS**

- A. All files in the following categories shall be transferred to Closeout Contractor. This transfer shall occur within sixty (60) days of physical completion.
  - 1. Cost-reimbursement type contracts, except those which have been terminated.
  - 2. Fixed-price contracts.

Note: When the primary type (i.e. cost, fixed-price) of a hybrid contract is cost, the procedures for closing a cost reimbursement contract shall be followed. Otherwise, the procedures for closing a fixed-price contract shall be followed.

3. Cooperative agreements with commercial firms.
4. Grants and cooperative agreements with institutions of higher education, other non-profit organizations, and state and local governments.

**B.** Prior to transferring physically completed cost reimbursement contracts, the Contract Specialist (CS) shall perform the following:

**NOTE: Cost type orders placed against Delivery Indefinite Quantity (IDIQ) type contracts shall not be forwarded to the Closeout Contractor until the basic IDIQ contract is physically complete.**

1. Conduct a funds status review, as required by FAR Part 4, using the NASA Form (NF) 533. Determine with the Technical Representative, and in conjunction with representatives from the Office of Chief Financial Officer (OCFO), the amount of remaining excess funds, if any. The determination is made by considering the amount of funds contractually required to be withheld and by estimating the amount of funds required to cover final indirect and/or direct costs and fee(s). The CS must also review the contract performance in concert with the contract Limitation of Funds clauses to determine if the Government is entitled to a fixed fee reduction. A significant underrun in cost-reimbursement contracts may also lead to a CO determination to reduce fixed fee. The CO must apply prudent judgment in a fixed fee reduction determination. The resultant fixed fee reduction modification must be bilateral. The determination of whether any excess funds should be deobligated or retained on the contract shall be documented in a memorandum to be included in the official contract file.
2. Determine whether all contract or agreement terms have been met and deliverables have been received and accepted. Generally completion of a Langley Form (LF) 131, Receipt and Inspection (R&I) Report, determines this for Supplies and a LF P230 for all others.
3. Obtain Technical Representative records such as correspondence and task, delivery, or work orders for consolidation into the official contract file.
4. Ensure the files include documentation of any interim past performance evaluations, if applicable (see LMS-OP-4525). The CS shall initiate the final past performance evaluation covering the last period of performance and summarizing all performance. Evidence, in the form of a copy of the email transmitted to the Contracting Officer's Technical Representative (COTR) requesting his/her final past performance evaluations, shall be placed in the contract file. After transfer of the file to closeout, the CS retains responsibility for providing the completed NF 1680 to the Closeout Contractor.
5. Consolidate the official files to remove any duplicate records.

6. Ensure all supporting documentation is included within the file.
  7. Transfer the file to the Closeout Contractor within 60 days of the physical completion date. The current CS is responsible for changing the buyer, CO, and P-Group Contract Management Module (CMM) fields to the Closeout Contractor. The Closeout Contractor will enter in the To Closeout Date.
  8. Complete LF P239, "Contract Reassignment for Settlement and Closeout," and place it on top of the file to be transferred. (The Closeout Contractor will annotate the LF P239 to reflect reasons why files could not be processed for closeout and return the file to the cognizant CO.)
- C. The CS shall perform the following prior to transferring any fixed-price (including construction) contract or cooperative agreements with commercial firms to the Closeout Contractor.

NOTE: Fixed-price orders placed against IDIQ type contracts should be forwarded to the Closeout Contractor upon completing the below actions. The Closeout Contractor will return the associated order files to the cognizant CS after system closeout activities are complete. The CS shall retain these files until the respective base IDIQ contract is ready for transfer to the Closeout Contractor.

1. Determine whether all contract, order or agreement terms have been met, deliverables have been received and accepted. Generally, completion of a LF 131, R&I Report, determines this for Supplies and a LF P230 for all others.
2. Obtain Technical Representative records such as correspondence and task, delivery, or work orders for consolidation into the official contract file.
3. Ensure the files include documentation of any interim past performance evaluations, if applicable (see LMS-OP-4525). The CS shall initiate the final past performance evaluation covering the last period of performance and summarizing all performance. Evidence, in the form of a copy of the email transmitted to the COTR requesting his/her final past performance evaluations, shall be placed in the contract file. After transfer of the file to closeout, the CS retains responsibility for providing the completed NF 1680 to the Closeout Contractor.
4. Consolidate the official files to remove any duplicate records.
5. Follow the instructions of paragraph B.7 for fixed price contracts and paragraph E.2 for cooperative agreements with commercial firms.
6. Complete LF P239, "Contract Reassignment for Settlement and Closeout," and place it on top of the file to be transferred. (The Closeout Contractor will annotate the LF P239 to reflect reasons why files could not be processed for closeout and return the file to the cognizant CO.)

D. Additional Requirements for Construction Contracts (These contracts are awarded and administered by the **Business Systems Branch**, Center Operations Directorate.)

1. Determine whether all contract agreement terms have been met and deliverables have been received and accepted. Complete LF 330, Facility Systems Construction Contract Completion Checklist.
2. Transmit a letter to the Contractor requesting a NF 778, Contractor's Release, and final invoice. Upon receipt of these documents from the contractor, authorize final payment be made to the appropriate OCFO office. Provide OCFO the original of LF 330. The contract file should contain a copy of the LF 330 and proof of final invoice.
3. Ensure the SF 1420 is finalized, signed and included in the file. The CS is responsible for completing the SF 1420 after input from the COTR is received. A copy of the SF 1420 shall be included in the Construction Performance Evaluation File retained by the Construction CO located in the Center Operations Directorate.
4. Forward the original NF 1046A to MS 300/Real Property Officer with a copy to the contract file.
5. Obtain any technical representative records such as correspondence for consolidation into the official contract file. Compile the contract files removing any duplicate records, include modifications and log books, and provide package to the Closeout Contractor via LF P239. The current CS is responsible for changing the buyer, CO, and P-Group CMM fields to the Closeout Contractor. The Closeout Contractor will enter in the To Closeout Date.

E. Prior to transferring physically completed grants and cooperative agreements with educational and non-profit organizations, the following shall be accomplished by the Grants personnel:

1. Determine whether the grant or cooperative agreement is considered physically complete. This determination shall be made by sending the LF P230 to the Technical Officer to determine whether the work is complete and if a final report has been received. Upon establishment of physical completion, document the file with written certification of physical completion; funds status review and recovery of unused/excess funds only on those instruments that did not require Office of Naval Research (ONR) delegation; and completeness of the official file.
2. Transfer the file to the Closeout Contractor upon physical completion. The current CS is responsible for changing the buyer, CO, and P-Group CMM fields to the Closeout Contractor. The Closeout Contractor will enter in the To Closeout Date.
3. Complete LF P239, "Contract Reassignment for Settlement and Closeout," and place it on top of the file to be transferred. (The Closeout Contractor will

annotate the LF P239 to reflect reasons why files could not be processed for closeout and return the file to the cognizant Grants Officer.)